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Attn: Fiona Towers
Pricing VET under Smart and Skilled
Independent Pricing and Regulatory Tribunal
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By email to: fiona_towers@ipart.nsw.gov.au
6th May, 2013

Dear Tribunal Members,

Thank you for the opportunity to comment on the Pricing of VET under Smart and Skilled (Other Industries – Issues Paper, April 2013).

At the University of New England we are currently developing a number of new degree offerings which incorporate VET qualifications into Bachelor's Degrees, and which will be delivered in partnership with TAFE NSW, New England Institute. These degrees are being developed in consultation with industry partners to provide students with the best possible mix of hands-on skills and higher order knowledge. It is in this context that I have considered the above report and its implications. In particular, I'd like to address "13 What is the appropriate relativity between student fees for VET and student contributions for university study?"

1) Table 5.3 (p.56) shows a very clear linear relationship between level of education, average weekly earnings and probability of employment. Given that university graduates are clearly likely to earn more, it is difficult to see what justification there could be for making VET more expensive. A large number of people undertaking VET courses are already in the workforce, and often are either gaining a qualification while on the job, or are value adding to qualifications they already hold. This logically produces an immediate return through improved capability and productivity. The Training Package qualifications in VET are also assessed in terms of workplace competency, emphasising the immediacy of productivity improvement. A faster return on investment strengthens the case for VET to be less expensive for students compared to university. VET is also accessible to a much larger proportion of the workforce, providing for equitable outcomes and upskilling of the current workforce on a wider scale.

2) The AQF Guidelines state that the following should be used to negotiate credit arrangements:
   - 50% credit for an Advanced Diploma or Associate Degree linked to a 3 year Bachelor degree
   - 33% credit for a Diploma linked to a 3 year Bachelor Degree

   Most articulation (advanced standing) is still individually negotiated with the student. The content of vocational qualifications often has a different focus than that for the same subject area covered in a higher degree. For example, the VET Diploma of Agriculture is a practically-based management qualification, where most Agriculture degrees have a strong science component. This reduces the potential for credit, consequently the AQF Guidelines should not then be taken as standard or even representing common practice. The VET qualifications

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also usually have a wide elective choice – making it more difficult for universities to specify specific credit arrangements.

The new Bachelor of Agrifood Systems currently being designed by UNE in partnership with TAFE NSW New England Institute embeds VET units in the university qualification. The structure of the degree has been designed to provide the best combination of units from both VET and university sectors, with account taken for existing advanced standing recommendations for agriculture diploma to degree. Students will qualify for both a Diploma and Advanced Diploma of Agriculture, which have a combined weighting of 10 of the 24 units required for the degree. This means that the two VET qualifications are replacing UNE units which would cost $10,000 in student fees. The two VET qualifications should have fees considerably lower than $10,000 in total, given the quicker return on funding spent on VET courses, and their greater accessibility to people already in the industry. A policy of charging more for VET qualifications than for the equivalent university units would raise equity issues and would be a strong disincentive for industries and providers to build qualification pathways which allow for worker retention and career development from VET to higher education.

The rapid growth in foundation degrees in the UK demonstrates the potential for articulation and joint programs between VET and universities. Introduced to the UK in 2001, Foundation Degrees are a work-related higher education qualification. Foundation Degrees were designed in conjunction with employers to meet the demand for specialised technical and professional skills. A full-time foundation degree takes two years to complete while a part time foundation degree takes three to four years. There is the option, on successful completion of the Foundation Degree, to progress on to a first degree with a further 12 to 15 months of study. In 2012, 10% of all first degrees issued in the UK were for Foundation Degrees.

This model has the potential to provide qualifications that deliver high level technical and management outcomes in a structure that encourages accessing qualifications to build careers for individuals, and to increase overall workforce capability. A competitive pricing structure for VET is essential for these types of arrangements to be established in order to provide better articulation and credit arrangements between VET and higher education.

I note that further meetings/consultations are being planned in the next few months. I would be happy to take part in further discussions should the opportunity arise.

Yours sincerely,

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